



PRELIMINARY BUDGET

Fiscal Year 2019

May 08, 2018

Mark Roberts

Director of Finance



Fiscal Year 2019

Preliminary Budget Overview

Personnel Cost Assumptions

- Maintains existing compensation for employees
- Includes increased UAAL and normal cost payments to CalPERS per valuation report
- 8% increase in the City paid portion of health insurance premiums beginning February 2019

Maintenance & Operations Costs

- Amounts are reasonable given known circumstances

Capital Improvements

- Includes the minimum amount of funding from the General Fund to meet the maintenance of effort requirements to receive TRANSNET and SB1 allocations for roadway improvements

Revenues

- Amounts reflect analysis by both staff and outside consultants and are as realistic as possible
- Will be updated as more data becomes available



General Fund



Unassigned Fund Balance

General Fund

Fund balance, 6/30/17	\$11,903,272
<u>Projected use of fund bal., FY 18 mid-yr</u>	<u>(3,911,998)</u>
Projected fund balance, 6/30/18	\$7,991,274



Preliminary Budget Summary

Fiscal Year 2019

General Fund

Total Revenues	\$54,426,792
Transfer(s) In	6,000
Operating Expenditures	(58,537,283)
Transfer(s) Out	(2,364,473)
<hr/>	
Surplus/(Deficit)	(\$ 6,468,964)*

* Includes the use of \$400,000 of committed fund balance from the Facilities Maintenance Reserve.



Projected Change in Unassigned Fund Balance – Fiscal Year 2019

General Fund

Projected fund balance, 6/30/18	\$ 7,991,274
Estimated use of fund bal., FY19 preliminary budget	(6,068,964)
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Estimated fund balance, 6/30/19	\$ 1,922,310



Revenues

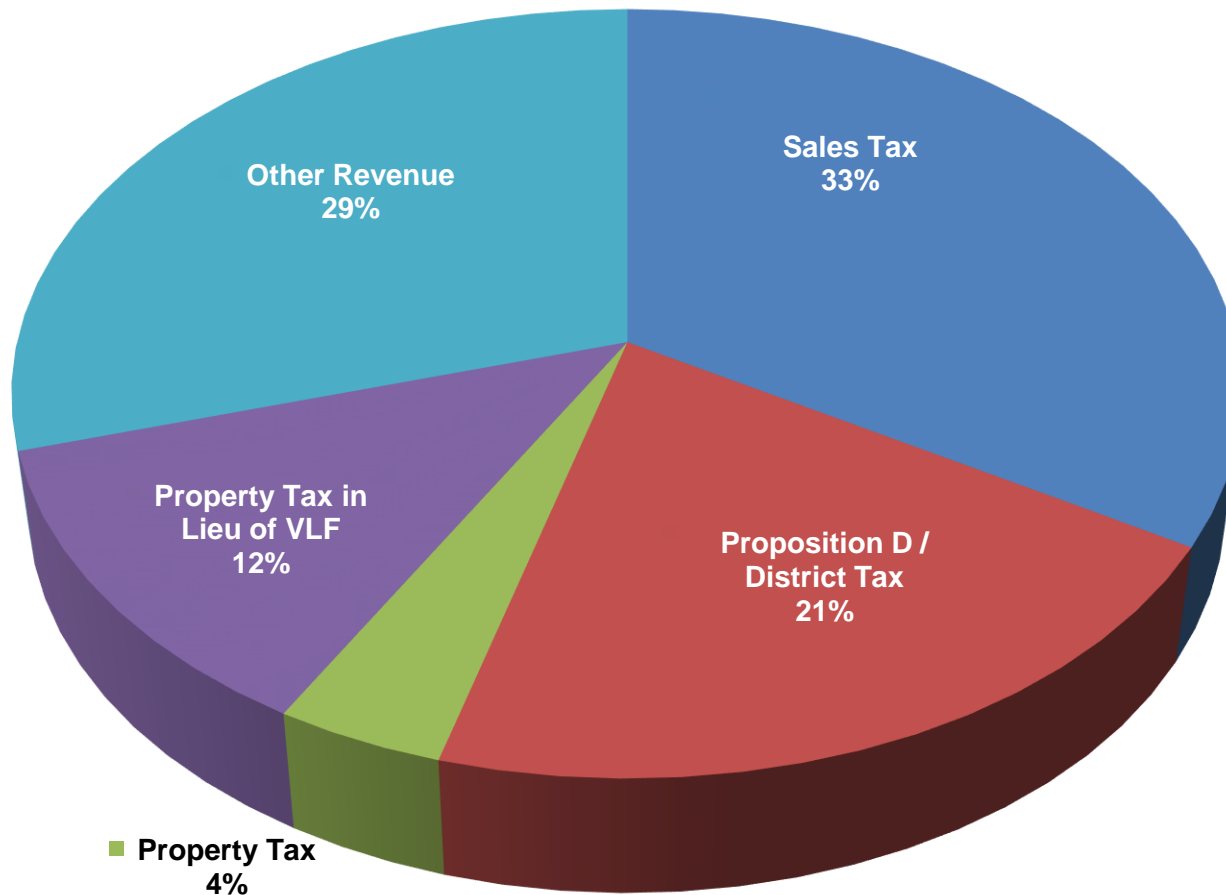
FY 19 Preliminary vs FY 18 Adopted

General Fund

	FY 19 Preliminary	FY 18 Adopted	Change
Sales Tax	\$18,204,172	\$18,627,564	(\$423,392)
Proposition D / District Tax	11,370,844	11,507,650	(136,806)
Property Tax	2,146,711	2,089,761	\$56,950
Property Tax in Lieu of VLF	6,661,664	6,220,229	\$441,435
Other Revenue	16,043,401	\$14,599,335	\$1,444,066
Total	\$54,426,792	\$53,044,539	\$1,382,253

Revenues Fiscal Year 2019

General Fund – Estimated Revenues - \$54.43M



* Does not include Transfers In.



Expenditures

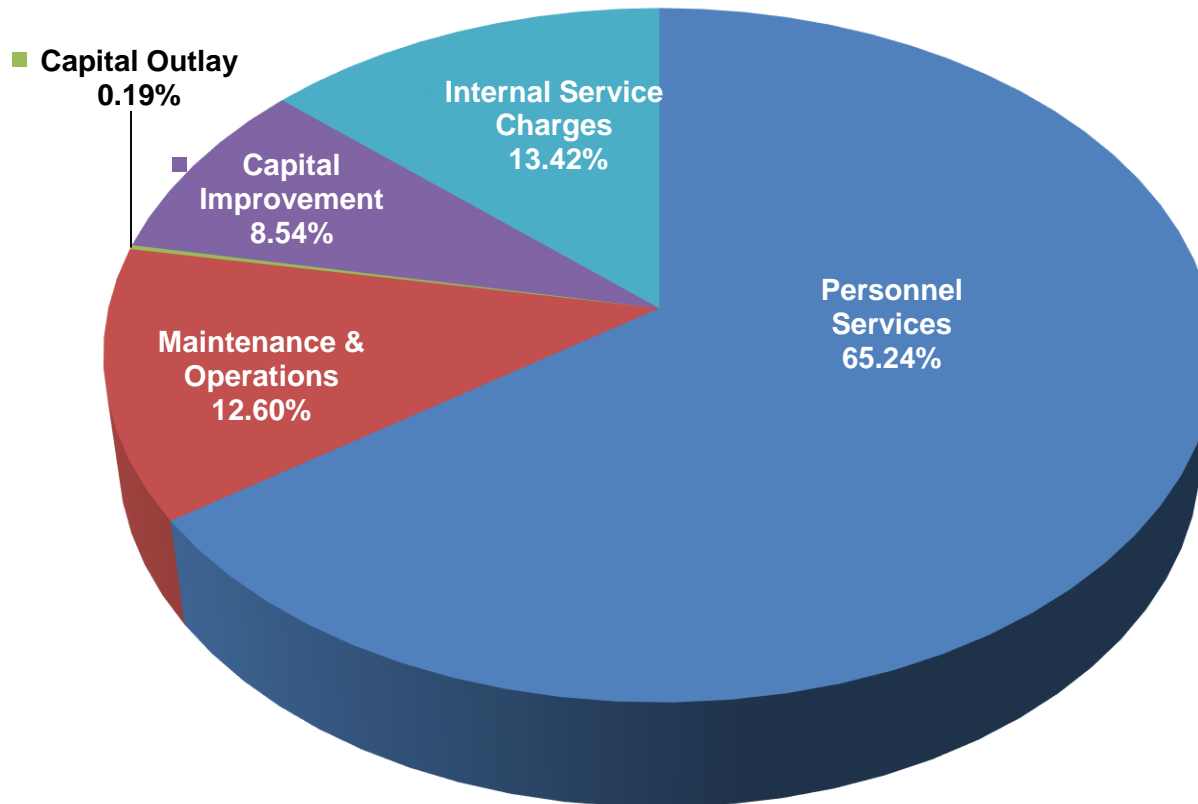
FY 19 Preliminary vs FY 18 Adopted

General Fund

	FY 19 Preliminary	FY 18 Adopted	Change
Personnel Services	\$38,192,300	\$37,300,344	\$891,956
Maintenance & Operations	7,377,973	6,437,584	940,389
Capital Outlay	113,508	137,594	(24,086)
Capital Improvement	5,000,000	2,900,000	2,100,000
Internal Service Charges	7,853,502	8,031,978	(178,476)
Total	\$58,537,283	\$54,807,500	\$3,729,783

Expenditures Fiscal Year 2019

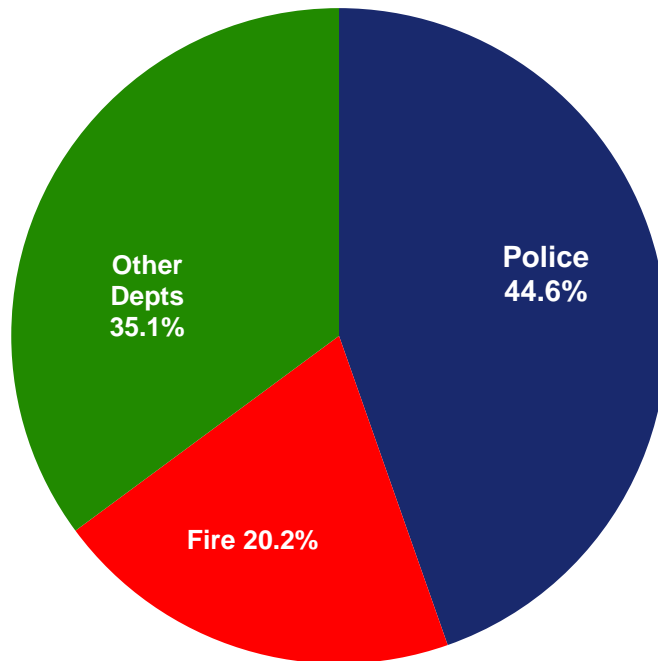
General Fund – Estimated Expenditure by Category -\$58.54M*



* Does not include Transfers Out.

Percentage of Expenditures by Department – Fiscal Year 2019

General Fund



Police

Fire

Other Depts

- City Council
- City Clerk
- City Treasurer
- City Manager
- City Attorney
- Community Services
- Engineering & Public Works
- Finance
- Housing & Economic Development
- Human Resources
- Neighborhood Services
- Planning
- Non-Departmental



Transfer(s) In FY 19 Preliminary vs FY 18 Adopted

From	To	Purpose	FY 19 Preliminary	FY 18 Adopted	Change
Mile of Cars LMD	General Fund	Administrative Transfer	6,000	5,500	500
Plan Checking Revolving Fund	General Fund	Administrative Transfer	0	250,000	(250,000)
Total (Net) General Fund Impact			\$6,000	\$5,500	(\$249,500)



Transfer(s) Out

FY 19 Preliminary vs FY 18 Adopted

From	To	Purpose	FY 19 Preliminary	FY 18 Adopted	Change
General Fund	Library Fund	Operating Subsidy	\$1,111,771	\$801,431	\$310,340
General Fund	Parks Maintenance Fund	Operating Subsidy	614,736	634,940	(20,204)
General Fund	Nutrition Center Fund	Operating Subsidy	382,101	442,588	(60,487)
General Fund	Post-Employment Benefits Fund	Retiree Health Benefits	197,580	186,350	11,230
General Fund	Housing Choice Voucher Fund	Operating Subsidy	58,285	0	58,285
General Fund	Irrevocable Supplemental Pension Trust	Pension Trust Contribution	0	894,767	894,767
Total Transfers In			\$2,364,473	\$2,960,076	\$1,193,931



Budget Summary

FY 19 Preliminary vs FY 18 Adopted

	FY 19 Preliminary	FY 18 Adopted	Change
Total Revenues	\$54,426,792	\$53,044,539	\$1,382,253
Transfer(s) In	6,000	255,500	(249,500)
Operating & Capital Expenditures	(58,537,283) *	(54,807,501)	(3,729,782)
Transfer(s)Out	(2,364,473)	(2,960,076)	595,603
Total	(\$6,468,964)	(\$4,467,538)	(\$2,001,426)

* Includes the use of \$400,000 of committed fund balance (Facilities Maintenance Reserve).



Projected Change in Unassigned Fund Balance – Fiscal Year 2019

General Fund

Fund Balance, 6/30/17	\$11,903,272
Projected Use of Fund Bal., FY18 Mid-Year	(3,911,998)
Projected Fund Balance, 6/30/2018	7,991,274
Estimated Use of Fund Balance, FY18 Preliminary Budget	(6,068,964)
Estimated Fund Balance, 6/30/2019	\$1,922,310
Deficit Spending, FY19 Preliminary Budget:	
Estimated Use of Fund Balance	\$6,068,964
1-time Capital Spending (Non-Offset Expenses)	(1,000,000)
Estimated Structural Deficit	\$5,068,964



Total Budget



Total Operating & Capital Budget FY 19 Preliminary vs FY 18 Adopted

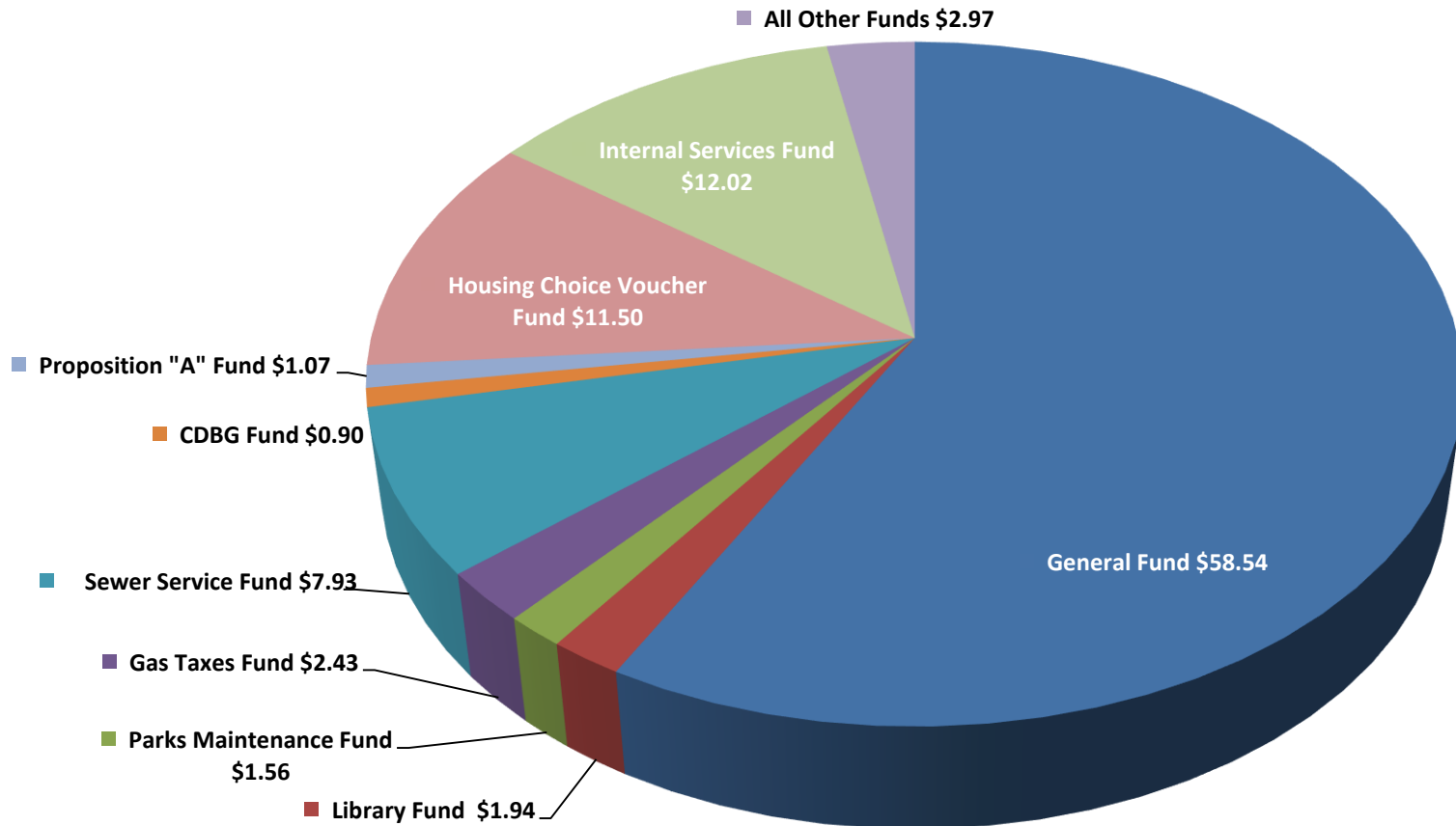
	FY 19 Preliminary	FY 18 Adopted	Change
General Fund			
Revenues	\$54,426,792	\$53,044,539	\$1,382,253
Transfer(s) In	\$6,000	\$255,500	(249,500)
Expenditures	(58,537,283)	(54,807,500)	(3,729,783)
Transfer(s) Out	(2,364,473)	(2,960,076)	595,603
Projected Use of Fund Balance *	(\$6,468,964)	(\$4,467,537)	(\$2,001,427)
Other Funds			
Revenues	\$38,384,898	\$37,501,775	\$883,123
Transfer(s) In	\$3,014,473	\$3,940,519	(926,046)
Other Fund Expenditures	(42,303,853)	(41,508,908)	(794,945)
Transfer(s) Out	(656,000)	(1,235,943)	579,943
Projected Fund Balance Change - Other Funds	(\$1,560,482)	(\$1,302,557)	(\$257,925)
 Revenues - All Funds	 \$92,811,690	 \$90,546,314	 \$2,265,376
Expenditures - All Funds	(100,841,136)	(96,316,408)	(4,524,728)
Projected Fund Balance Change - All Funds	(\$8,029,446)	(\$5,770,094)	(\$2,259,352)

Transfer(s) In/Out for all funds equal (net) \$0

* Includes the use of \$400,000 of committed fund balance (Facilities Maintenance Reserve).

Preliminary Total Budget Fiscal Year 2019

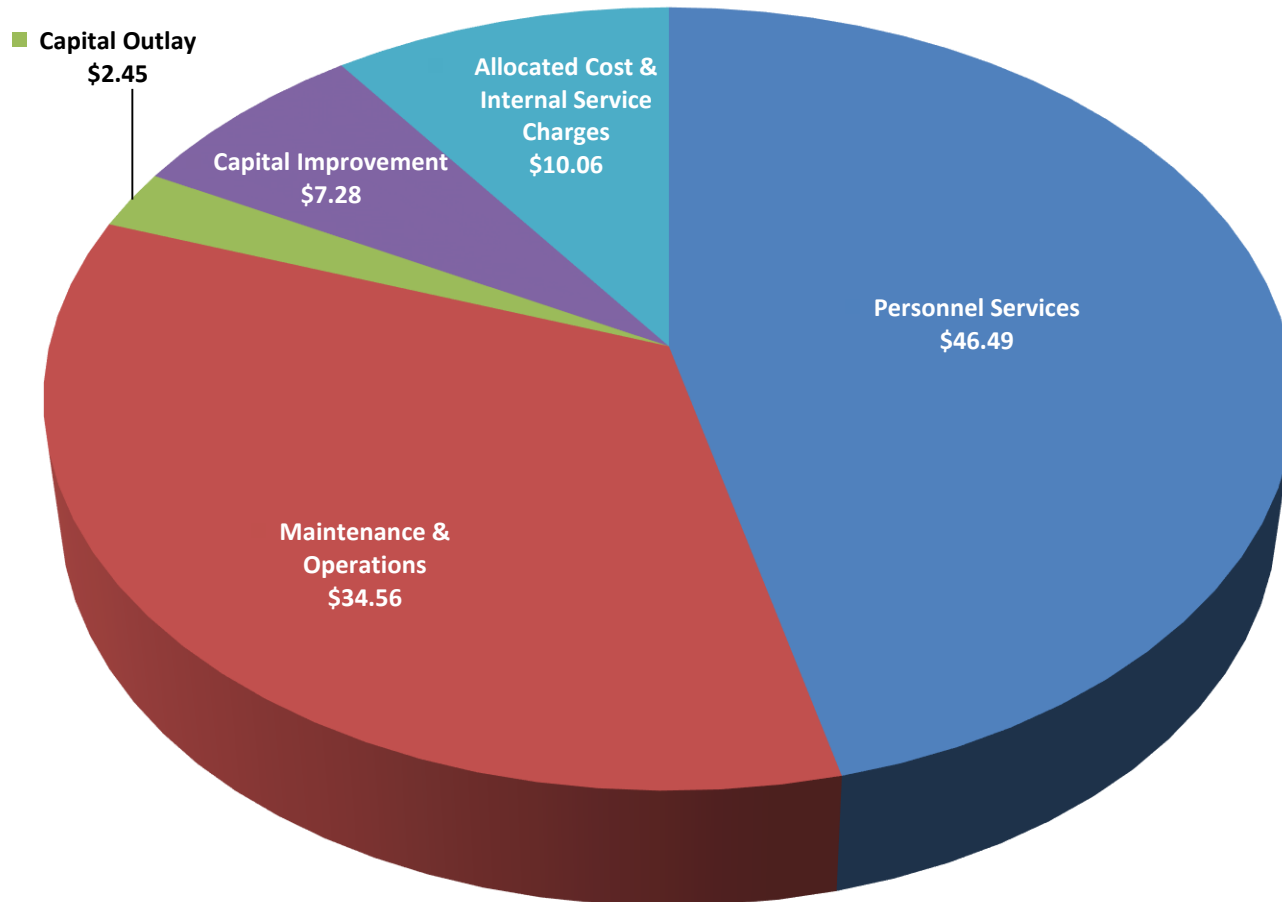
Estimated Expenditures by Fund - \$100.84M





Preliminary Total Budget Fiscal Year 2019

Estimated Expenditures by Category - \$100.84M





**Expenditure Changes
Preliminary Fiscal Year 2019
VS
Adopted Fiscal Year 2018**



Expenditures

FY 19 Preliminary vs FY 18 Adopted

General Fund	FY 19	FY 18	Change
	Preliminary	Adopted	
Personnel Services	\$38,192,300	\$37,300,344	\$891,956
Maintenance & Operations	7,377,973	6,437,584	940,389
Capital Outlay	113,508	137,594	(24,086)
Capital Improvement	5,000,000	2,900,000	2,100,000
Internal Service Charges	7,853,502	8,031,978	(178,476)
Total	\$58,537,283	\$54,807,500	\$3,729,783

Expenditure Changes

General Fund

Personnel

Expenditure Category	Change from Adopted FY 18
Salaries	\$ (52,900)
Overtime	577,300
Differential Pay	121,700
Health Insurance	60,200
Pension Contribution Increase	143,200
All Other	42,500
Total Personnel Changes	\$ 892,000



Expenditure Changes

General Fund

Maintenance & Operations

Expenditure Category	Change from Adopted FY 18
Government Purposes: City Clerk Elections	\$ 50,600
Professional Services	335,800
Emergency Animal Treatment	148,500
Police Facility Lease (NCJPFA -debt service)	(497,400)
Contract Services	626,300
Agency Contributions	100,400
Other M&O Changes	176,200
Total Maintenance & Operations Changes	\$ 940,400

Expenditure Changes

General Fund

Capital Outlay & Capital Improvement

Expenditure Category	Change from Adopted FY 18
<u>Capital Outlay</u>	
Furniture & Furnishings	\$ 16,900
Automotive Leases	(11,000)
Communications Equipment	(30,000)
Total Capital Outlay Changes	(24,100)
<u>Capital Improvements</u>	
Paradise Creek Environmental Remediation	\$ 1,600,000
Storm Drain Improvements	-
Traffic Monitoring/System Improvements	100,000
Tier 1 (urgent needs) Facilities Upgrades	400,000
Total Capital Improvements Changes	\$ 2,100,000

Expenditure Changes

General Fund

Internal Services Charges

Expenditure Category	Change from Adopted FY 18
Vehicle Services Charges	\$ (241,000)
Vehicle Lease Charge	285,500
Information System Maintenance Charge	(276,500)
Building Services Charges	157,200
Insurance Charges	(103,700)
Total Changes - Int. Serv. Charges	\$ (178,500)



Reserves / Fund Balances



General Fund

As of 6/30/17	Target	Balance
Contingency Reserve	\$12,738,462	\$ 9,085,066
Facilities Maintenance Reserve*	5,671,217	2,500,000
Unassigned Fund Balance	11,903,372	11,903,372
Total	\$30,313,051	\$23,488,438

*On May 1, 2018, \$500,000 of the Facilities Maintenance Reserve was approved for Tier 1 capital needs, leaving an available balance of \$2M.

Other Funds

As of 6/30/17	Target	Balance
Gas Taxes Fund Reserve	\$61,417	\$25,376
Sewer Services Fund Reserve	349,135	349,135
Liability Insurance Reserve	2,435,000	1,913,000
Workers' Compensation Reserve	9,097,000	7,581,000
Debt Service Reserve	1,634,088	1,021,467
Vehicle Replacement Reserve	\$5,800,514	\$1,622,958



Deficit Spending General Fund



Deficit Spending General Fund

Total Estimated Use of General Fund Fund Balance - FY 19 Preliminary Budget	\$ 6,468,964
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Use is split between unassigned and committed as shown below:

Unassigned Fund Balance at 6/30/17	\$ 11,903,272
Less: Projected Use of Fund Balance, FY18 Mid-Year	<u>(3,911,998)</u>
Projected Unassigned Fund Balance at 6/30/18	7,991,274
Less: Estimated Use of Fund Balance in FY19 Preliminary Budget	<u>(6,068,964)</u>
Estimated Unassigned Fund Balance at 6/30/19	\$ 1,922,310

Committed Fund Balance - Facilities Maintenance Reserve at 6/30/17	\$ 2,500,000
Less: Projected Use of Fund Balance at FY18 Mid-Year Review	<u>\$ (500,000)</u>
Projected Committed Fund Balance - Facilities Maintenance Reserve at 6/30/18	\$ 2,000,000
Less: Estimated Use of Fund Balance in FY19 Preliminary Budget	<u>\$ (400,000)</u>
Estimated Committed Fund Balance - Facilities Maintenance Reserve, 6/30/19	\$ 1,600,000

Structural vs Non-Structural Deficit:

Estimated Use of Unassigned Fund Balance, FY19 Preliminary Budget	\$ 6,068,964
Less: One-time Capital Spending (Non-Revenue Offset Expenses)	<u>(1,000,000)</u>
Equals: Estimated Structural Deficit	\$ 5,068,964



Capital Improvement Program (CIP)

Steve Manganiello

City Engineer

[illegible]



5-Year Capital Improvement Program (FY 2019 - FY 2023)

FY 2019 Project Appropriations

Project	Type	Description ¹	Gas Tax Fund (109) ²	Prop "A" Fund (307) ³	Total
Safe Routes to School Pedestrian and Bicycle Safety Enhancements (307-409-500-598-6166)	Infrastructure	Projects include various infrastructure improvements Citywide to enhance access and safety for children walking and biking to school	\$ -	\$ 166,000	\$ 166,000
Street Resurfacing (109-409-500-598-6035) (307-409-500-598-6035)	Infrastructure	Projects include a combination of roadway rehabilitation, grinding and overlay, slurry seals and restriping of finished pavement; other improvements include removal and replacement of damaged or lifted sidewalks and substandard pedestrian curb ramps for ADA compliance	\$ 1,016,456	\$ 100,000	\$ 1,116,456
Traffic Signal Upgrades (307-409-500-598-6558)	Infrastructure	Projects include various upgrades and modifications to traffic signals and associated infrastructure / equipment Citywide, to enhance traffic safety and operations	\$ -	\$ 800,000	\$ 800,000
Total			\$ 1,016,456	\$ 1,066,000	\$ 2,082,456

¹ Refer to individual project summary sheets for details on project improvements, budgets and funding sources.

² Gas Tax Fund - FY 2019 Road Maintenance and Rehabilitation Account (RMRA) funding through Senate Bill 1; City Council approved project appropriations for FY 2019 on April 17, 2018 through adoption of City Council Resolution 2018-57.

³ Proposition "A" Fund - FY 2019 TransNet Local Street Improvement Program of Projects for National City for inclusion in the 2018 Regional Transportation Improvement Program; City Council approved project appropriations for FY 2019 on April 3, 2018 through adoption of City Council Resolution 2018-49.



5-Year Capital Improvement Program (FY 2019 - FY 2023)

FY 2019 Vehicle Fleet Funding Request

Enterprise Lease Program - Existing Vehicles				
FY 2019 Automotive Lease payments from General Fund and Parks Maintenance Fund (account #512)				
\$	126,429			
Purchase through City Financing - Existing Vehicles / Equipment				
FY 2019 Vehicle Replacement payments from General Fund (account #751)*				
\$	732,076			
Purchase through City Financing - New Vehicles / Equipment				
FY 2019 Vehicle Replacement payments from General Fund (account #751)*				
Annual Cost		Purchase Price	# Vehicles	Vehicle Description (Department)
\$ 92,500		\$ 750,000	1	1 fire engine (Fire)
\$ 97,200		\$ 405,000	6	3 sedans and 3 full-size SUVs (Police-Patrol)
\$ 18,500		\$ 150,000	1	1 F-250 utility body specialty truck (Police-Traffic)
\$ 43,167		\$ 350,000	2	2 F-450 specialty trucks for traffic painting (Public Works-Streets)
\$ 11,100		\$ 90,000	1	1 F-350 stake bed truck (Public Works-Facilities)
\$ 4,933		\$ 40,000	1	1 F-150 light-duty truck (Public Works-Facilities)
\$ 7,467		\$ 70,000	2	2 utility vans (Public Works-Facilities)
\$ 8,747		\$ 82,000	2	2 electric sedans (Engineering/Public Works-Pool)
\$ 1,850		\$ 15,000	1	1 concrete mixer (Public Works-Streets)
\$ 285,463		\$ 1,952,000	17	
Total Fleet - Existing and New Vehicles / Equipment				
Total FY 2019 Vehicle Replacement and Automotive Lease payments from General Fund				
\$	1,143,968			
<i>* Projected FY 2019 Annual Lease Payments from General Fund (Fund 001) to Vehicle Replacement Fund (Fund 644) through internal service charges based on estimating the vehicle / equipment replacement costs over the life cycles</i>				



5-Year Capital Improvement Program (FY 2019 - FY 2023)

FY 2019 Vehicle Fleet Funding Request (Option B)

Enterprise Lease Program - Existing Vehicles				
FY 2019 Automotive Lease payments from General Fund and Parks Maintenance Fund (account #512)				
\$	126,429			
Purchase through City Financing - Existing Vehicles / Equipment				
FY 2019 Vehicle Replacement payments from General Fund (account #751)*				
\$	732,076			
Purchase through City Financing - New Vehicles / Equipment				
FY 2019 Vehicle Replacement payments from General Fund (account #751)*				
Annual Cost		Purchase Price	# Vehicles	Vehicle Description (Department)
\$ 97,200		\$ 405,000	6	3 sedans and 3 full-size SUVs (Police-Patrol)
\$ 18,500		\$ 150,000	1	1 F-250 utility body specialty truck (Police-Traffic)
\$ 11,100		\$ 90,000	1	1 F-350 stake bed truck (Public Works-Facilities)
\$ 4,933		\$ 40,000	1	1 F-150 light-duty truck (Public Works-Facilities)
\$ 7,467		\$ 70,000	2	2 utility vans (Public Works-Facilities)
\$ 8,747		\$ 82,000	2	2 electric sedans (Engineering/Public Works-Pool)
\$ 1,850		\$ 15,000	1	1 concrete mixer (Public Works-Streets)
\$ 149,797		\$ 852,000	14	
Total Fleet - Existing and New Vehicles / Equipment				
Total FY 2019 Vehicle Replacement and Automotive Lease payments from General Fund				
\$	1,008,302			
<i>* Projected FY 2019 Annual Lease Payments from General Fund (Fund 001) to Vehicle Replacement Fund (Fund 644) through internal service charges based on estimating the vehicle / equipment replacement costs over the life cycles</i>				



Future Impacts

Future Impacts

Pension costs

Deferred maintenance & financing

State-mandated minimum wage increase

Energy & Water Savings

Labor Negotiations

Fee analysis & other revenue generating strategies

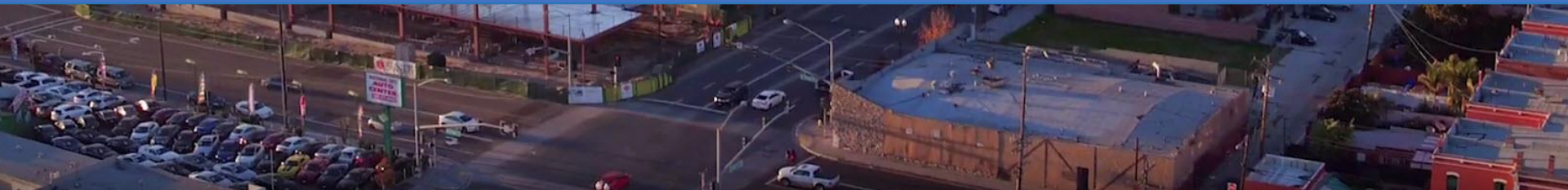
Economic Development

Megan Gamwell

Economic Development Specialist

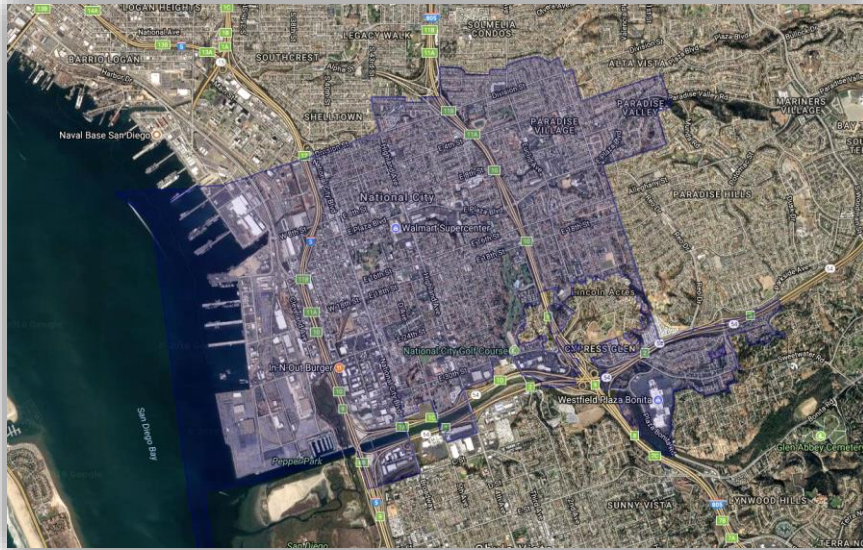


Economic Development Update



Economic Development Updates

**Retail Recruitment
Together We Can Update
Policy Changes
Tourism Promotion**



Retail Recruitment Strategy

A map of San Diego, California, with several red location pins placed across the city. The pins are located in the downtown area, near the waterfront, and in the southern part of the city. The map shows major roads, highways, and geographical features like San Diego Bay and the San Diego River. The text "Selected Sites" is overlaid on the map in a large, white, sans-serif font.

Selected Sites

Downtown National City

Plaza Boulevard

Bay Marina & Cleveland

Mile of Cars

Sweetwater

South Bay Marketplace

Westfield Plaza Bonita

Retail Assessment

Examined the National City retail environment to assist in future growth & revenue possibilities

Examined sales tax revenues over a five-year period (2011-2016)

Major Industry
Groups

Per Capita Analysis

Retailer &
Restaurant
Performance

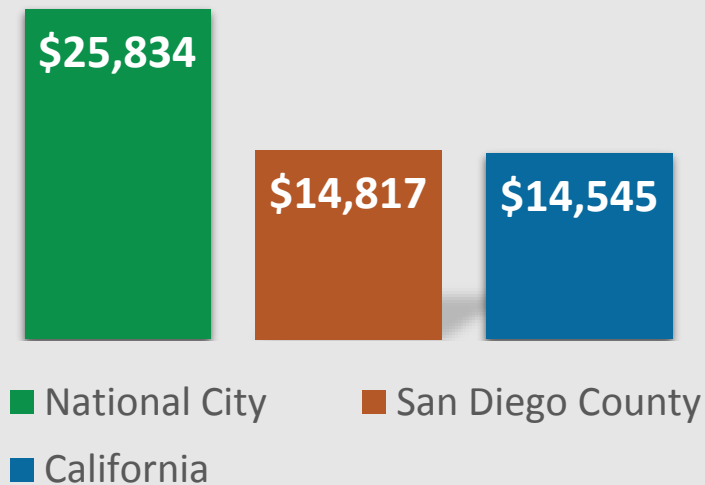
Average Sales \$'s Per Capita

Sales Dollars Per Capita Growth (2011-2016) By Major Industry Group

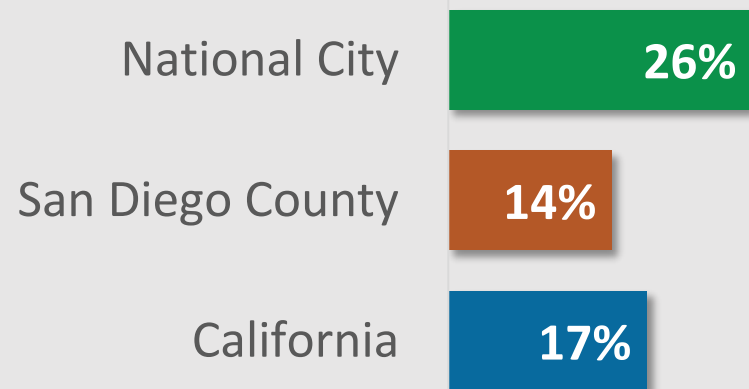
Major Industry Group	National City Growth	San Diego County Growth
Food & Drugs	9%	8%
Fuel & Service Stations	-31%	-29%
General Consumer Goods	14%	3%
Restaurants & Hotels	33%	29%

Average Sales \$'s Per Capita

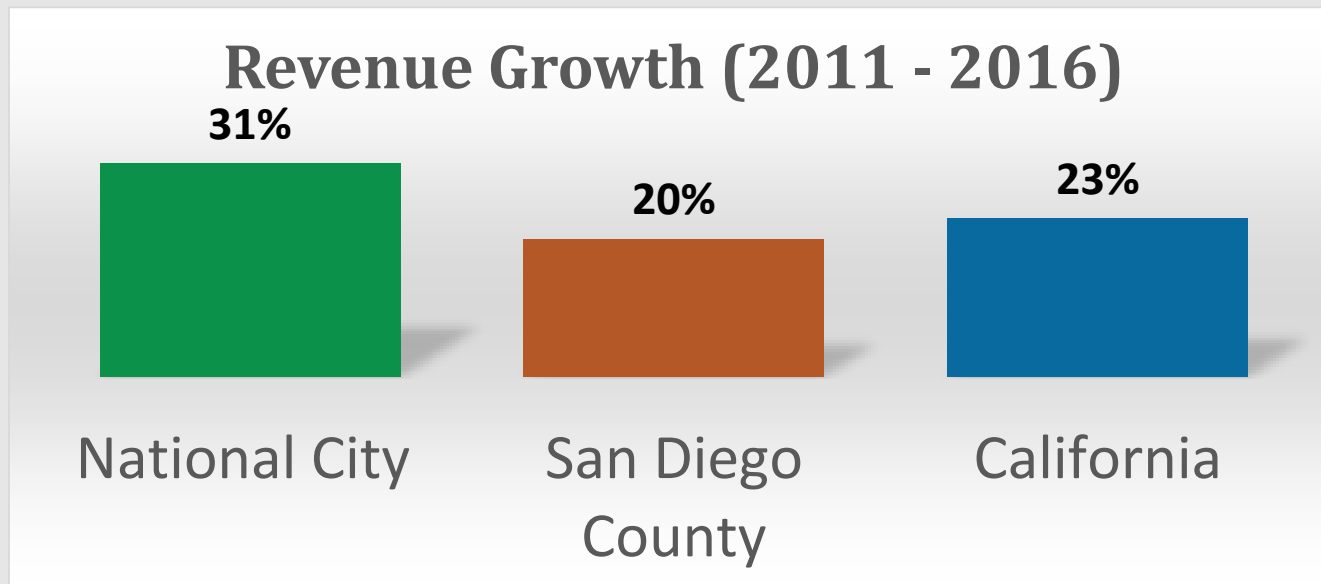
Sales \$ Per Capita - 2016



Sales \$ Per Capita Growth (2011-2016)



Revenue Growth



Retail & Restaurant Performance

- Sampled 46 National & Regional Firms
- 38 (83%) performed above the statewide average for their respective company

Firm	Business Type	Firm	Business Type
99 Cents Only	Variety Stores	MAC Cosmetics	Specialty Retailers
Aeropostale	Family Apparel	Macys	Department Stores
Applebee's	Casual Dining	McDonald's	Quick-Service
AT&T Mobility	Electronics/Appliances	Mor Furniture 4 Less	Home Furnishings
AutoZone	Automotive Supply Stores	Nordstrom Rack	Department Stores
Big Lots	Variety Stores	Office Depot	Office Supplies
Carl's Jr	Quick-Service	Old Navy	Family Apparel
CVS Pharmacy	Drug Stores	O'Reilly Auto Parts	Automotive Supply Stores
Denny's	Casual Dining	Outback Steakhouse	Casual Dining
Discount Tire	Automotive Supply Stores	Panda Express	Fast-Casual
El Super	Grocery Stores	Petco	Specialty Retailers
Express	Family Apparel	Popeye's Chicken	Quick-Service
Foot Locker	Shoe Stores	Probuild Company	Building Materials
Forever 21	Women's Apparel	Red Robin	Casual Dining
GameStop	Electronics/Appliances	Ross/dd's Discounts	Family Apparel
Grocery Outlet	Grocery Stores	Smart & Final	Grocery Stores
H & M	Family Apparel	T Mobile	Electronics/Appliances
Hollister	Family Apparel	Target	Discount Department Stores
IHOP	Casual Dining	Toys R Us	Specialty Retailers
In N Out Burgers	Quick-Service	Vallarta Supermarket	Grocery Stores
Jack in the Box	Quick-Service	Victoria's Secret	Women's Apparel
JC Penney	Department Stores	Walgreens	Drug Stores
Johns Incredible Pizza	Casual Dining	Walmart Supercenter	Discount Department Stores

GAP Assessment

Uses data from the following sources:

- **Consumer Expenditure Survey (CE), Bureau of Labor Statistics**
- **U.S. Census Bureau's monthly and annual Retail Trade (CRT)**

By Establishments

Electronic Shopping/Mail Order Houses
Grocery Stores
Electronics/Appliance
Full-Service Restaurants
Other Misc. Store Retailers
Vending Machine Operators (Non-Store)
Special Food Services
Lawn/Garden Equipment/Supplies Stores
Direct Selling Establishments
Furniture Stores
Book/Periodical/Music Stores
Florists/Misc. Store Retailers
Specialty Food Stores
Office Supplies/Stationary/Gift
Used Merchandise Stores
Beer/Wine/Liquor Stores
Sporting Goods/Hobby/Musical Instrument
Bar/Drinking Places (Alcoholic Beverages)
Health/Personal Care Stores
Home Furnishing Stores
Automotive Parts/Accessories/Tire
Jewelry/Luggage/Leather Goods
Shoe Stores
Gasoline Stations
Other General Merchandise Stores
Limited-Service Eating Places
Other Motor Vehicle Dealers
Clothing Stores
Building Material/Supplies Dealers
Department Stores
Automotive Dealers

Consumer Demand/Market Supply Index

Consumer Demand	Market Supply	Opportunity Gap/Surplus
\$109,440,312	\$46,103,125	-58% (\$63,337,187)
\$96,643,062	\$56,166,538	-42% (\$40,476,524)
\$17,861,177	\$10,587,894	-41% (\$7,273,283)
\$45,710,186	\$39,562,162	-13% (\$6,148,024)
\$12,328,932	\$6,565,360	-47% (\$5,763,572)
\$5,252,899	\$0	-100% (\$5,252,899)
\$9,196,533	\$4,169,245	-55% (\$5,027,288)
\$5,501,442	\$1,242,322	-77% (\$4,259,120)
\$5,428,167	\$1,388,600	-74% (\$4,039,567)
\$9,569,679	\$6,957,933	-27% (\$2,611,746)
\$3,824,638	\$2,691,086	-30% (\$1,133,553)
\$1,195,133	\$356,039	-70% (\$839,094)
\$5,595,083	\$4,919,400	-12% (\$675,683)
\$5,813,182	\$5,546,117	-5% (\$267,066)
\$2,839,893	\$2,668,932	-6% (\$170,961)
\$7,583,054	\$7,667,660	1% \$84,606
\$10,868,299	\$11,163,386	3% \$295,087
\$2,470,936	\$3,340,541	35% \$869,605
\$51,133,713	\$53,110,391	4% \$1,976,679
\$8,508,062	\$10,992,442	29% \$2,484,380
\$15,199,716	\$18,902,409	24% \$3,702,693
\$5,546,809	\$9,750,775	76% \$4,203,966
\$5,503,887	\$10,705,618	95% \$5,201,730
\$69,971,264	\$79,239,764	13% \$9,268,500
\$97,074,032	\$107,582,703	11% \$10,508,671
\$42,236,403	\$54,578,225	29% \$12,341,822
\$8,995,122	\$24,001,688	167% \$15,006,566
\$42,304,124	\$62,783,078	48% \$20,478,954
\$48,693,608	\$85,731,546	76% \$37,037,939
\$25,695,654	\$78,763,707	207% \$53,068,053
\$159,010,567	\$486,195,363	206% \$327,184,797
\$936,995,566	\$1,293,434,048	72

Economic Development Roundtable



TOGETHER WE CAN CAMPAIGN UPDATE

Signage and Façade Improvement

AROW Program

Adopt-a-Place Program





TOGETHER
**WE
CAN!**



TOGETHER
**WE
CAN!**

Ad Place your ad here. Click triangle to begin. ◀ ?



Communities / South County

National City rolls out program to help spruce up storefronts

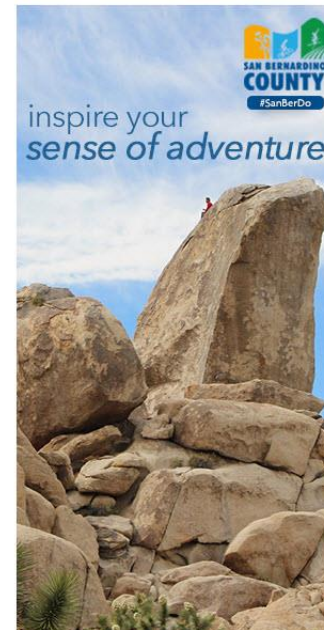


The two-story building that is home to Appliance Parts Company sports a fresh coat of paint and stucco repairs thanks, in part, to a storefront improvement project National City has rolled out. (David Hernandez / San Diego Union-Tribune)



By **David Hernandez** · Contact Reporter

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TOGETHER WE CAN PROGRAMS

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TOGETHER
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POLICY CHANGES

- **Tasting Room and Brewery ordinance update**
- **Removal of Artistic Murals from signage ordinance**

Tourism Promotion

The primary focus for the tourism initiative is to bring visitors to National City, and increase room night stays through the direct funding of contractors for various events and programs.

- **Funding may be requested through an annual application process.**
- **A funding theme will be set each year. Themes may include**
 - **Sports Tourism**
 - **Cultural Tourism**
 - **Arts and Culture Tourism**



Next Steps

Next Steps

Council-directed budget adjustments (if necessary)

Additional staff review and adjustments

Budget workshop, if needed (May 29th)

Budget adoption June 19th

Next Steps

Potential Deficit Reduction Measures

Capital Projects		
Camera replacement & related work	\$	200,000
Capital Outlay		
Vehicles	\$	285,500
Furniture	\$	24,600
Housing Choice Voucher Program support	\$	58,300
Nutrition Center support	\$	382,100
Aquatic Center management	\$	380,000
Maintenance & Operations (misc. potential reductions)	\$	400,000
Total	\$	1,730,500



5-Year Capital Improvement Program (FY 2019 - FY 2023)

FY 2019 Vehicle Fleet Funding Request (Option B)

Enterprise Lease Program - Existing Vehicles				
FY 2019 Automotive Lease payments from General Fund and Parks Maintenance Fund (account #512)				
\$	126,429			
Purchase through City Financing - Existing Vehicles / Equipment				
FY 2019 Vehicle Replacement payments from General Fund (account #751)*				
\$	732,076			
Purchase through City Financing - New Vehicles / Equipment				
FY 2019 Vehicle Replacement payments from General Fund (account #751)*				
Annual Cost		Purchase Price	# Vehicles	Vehicle Description (Department)
\$ 97,200		\$ 405,000	6	3 sedans and 3 full-size SUVs (Police-Patrol)
\$ 18,500		\$ 150,000	1	1 F-250 utility body specialty truck (Police-Traffic)
\$ 11,100		\$ 90,000	1	1 F-350 stake bed truck (Public Works-Facilities)
\$ 4,933		\$ 40,000	1	1 F-150 light-duty truck (Public Works-Facilities)
\$ 7,467		\$ 70,000	2	2 utility vans (Public Works-Facilities)
\$ 8,747		\$ 82,000	2	2 electric sedans (Engineering/Public Works-Pool)
\$ 1,850		\$ 15,000	1	1 concrete mixer (Public Works-Streets)
\$ 149,797		\$ 852,000	14	
Total Fleet - Existing and New Vehicles / Equipment				
Total FY 2019 Vehicle Replacement and Automotive Lease payments from General Fund				
\$	1,008,302			
<i>* Projected FY 2019 Annual Lease Payments from General Fund (Fund 001) to Vehicle Replacement Fund (Fund 644) through internal service charges based on estimating the vehicle / equipment replacement costs over the life cycles</i>				

Request for Direction

Staff seeks direction on:

- Revisions to the preliminary budget
- Additional Council adjustments and staff recommendations
- Second budget workshop on May 29th?



Deficit Spending General Fund

Total Estimated Use of General Fund Fund Balance - FY 19 Preliminary Budget	\$ 6,468,964
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Use is split between unassigned and committed as shown below:

Unassigned Fund Balance at 6/30/17	\$ 11,903,272
Less: Projected Use of Fund Balance, FY18 Mid-Year	<u>(3,911,998)</u>
Projected Unassigned Fund Balance at 6/30/18	7,991,274
Less: Estimated Use of Fund Balance in FY19 Preliminary Budget	<u>(6,068,964)</u>
Estimated Unassigned Fund Balance at 6/30/19	\$ 1,922,310

Committed Fund Balance - Facilities Maintenance Reserve at 6/30/17	\$ 2,500,000
Less: Projected Use of Fund Balance at FY18 Mid-Year Review	<u>\$ (500,000)</u>
Projected Committed Fund Balance - Facilities Maintenance Reserve at 6/30/18	\$ 2,000,000
Less: Estimated Use of Fund Balance in FY19 Preliminary Budget	<u>\$ (400,000)</u>
Estimated Committed Fund Balance - Facilities Maintenance Reserve, 6/30/19	\$ 1,600,000

Structural vs Non-Structural Deficit:

Estimated Use of Unassigned Fund Balance, FY19 Preliminary Budget	\$ 6,068,964
Less: One-time Capital Spending (Non-Revenue Offset Expenses)	<u>(1,000,000)</u>
Equals: Estimated Structural Deficit	\$ 5,068,964



Public Comments



Comments/Direction